

South Carolina Electric and Gas Company
Operating Experience, Rate Base and Rates of Return
Test Year Ended March 31, 2004
(\$000's)

Settlement Agreement Exhibits

<u>Description</u>	S. C. Retail							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Filing Total Electric	Accounting and Pro Forma Adjustments	As Adjusted Total Electric	Per Filing Retail*	Accounting and Pro Forma Adjustments	As Adjusted Retail	Proposed Increase	After Proposed Increase
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Operating Revenues</u>	1,515,375	30,099	(1) 1,545,474	1,450,375	28,281	(1) 1,478,656	51,149	(15) 1,529,805
<u>Operating Expenses</u>								
Fuel Costs (O&M) Expenses	402,795	23,831	(2) 426,626	374,926	22,936	(2) 397,862	(10,922)	(16) 386,940
Other O&M Expenses	400,580	16,472	(3) 417,052	383,340	15,410	(3) 398,750	0	398,750
Depreciation and Amort.	173,315	39,697	(4) 213,012	166,320	37,393	(4) 203,713	0	203,713
Taxes Other Than Income	112,376	11,411	(5) 123,787	108,036	10,952	(5) 118,988	299	(17) 119,287
Income Taxes	101,209	(16,627)	(6) 84,582	100,246	(16,178)	(6) 84,068	23,628	(18) 107,696
Interest on Customers' Deposits	1,303	(607)	(7) 696	1,303	(607)	(7) 696	0	696
<u>Total Operating Expenses</u>	<u>1,191,578</u>	<u>74,177</u>	<u>1,265,755</u>	<u>1,134,171</u>	<u>69,906</u>	<u>1,204,077</u>	<u>13,005</u>	<u>1,217,082</u>
<u>Net Operating Income</u>	<u>323,797</u>	<u>(44,078)</u>	<u>279,719</u>	<u>316,204</u>	<u>(41,625)</u>	<u>274,579</u>	<u>38,144</u>	<u>312,723</u>
Customer Growth (Note 1)	3,424	324	A-2 3,748	3,424	255	A-2 3,679	512	(19) 4,191
<u>Net Operating Income For Return</u>	<u>327,221</u>	<u>(43,754)</u>	<u>283,467</u>	<u>319,628</u>	<u>(41,370)</u>	<u>278,258</u>	<u>38,656</u>	<u>316,914</u>
<u>Rate Base</u>								
Gross Plant in Service	5,425,328	565,324	(8) 5,990,652	5,207,147	531,820	(8) 5,738,967	0	5,738,967
Accumulated Depreciation	(1,846,528)	(21,142)	(9) (1,867,670)	(1,772,888)	(19,749)	(9) (1,792,637)	0	(1,792,637)
<u>Net Plant in Service</u>	<u>3,578,800</u>	<u>544,182</u>	<u>4,122,982</u>	<u>3,434,259</u>	<u>512,071</u>	<u>3,946,330</u>	<u>0</u>	<u>3,946,330</u>
Construction Work in Progress (CWIP)	900,653	(771,753)	(10) 128,900	849,669	(726,468)	(10) 123,201	0	123,201
Materials and Supplies	125,178	13,257	(11) 138,435	117,947	12,333	(11) 130,280	0	130,280
Total Working Capital (Note 2)	653	(9,434)	(12) (8,781)	(2,483)	(8,845)	(12) (11,328)	0	(11,328)
Deferred Debits and Credits	(93,617)	6,117	(13) (87,500)	(90,722)	5,658	(13) (85,064)	0	(85,064)
Accumulated Deferred Income Taxes	(496,781)	0	(14) (496,781)	(477,215)	101	(14) (477,114)	0	(477,114)
<u>Total Rate Base</u>	<u>4,014,886</u>	<u>(217,631)</u>	<u>3,797,255</u>	<u>3,831,455</u>	<u>(205,150)</u>	<u>3,626,305</u>	<u>0</u>	<u>3,626,305</u>
<u>Return on Rate Base</u>	<u>8.15%</u>		<u>7.47%</u>	<u>8.34%</u>		<u>7.67%</u>		<u>8.74%</u>

Note 1: See Audit Exhibit A-2

Note 2: See Audit Exhibit A-3

* Per Filing as Contained in the Company's Cost of Service Study